



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

April 21, 2017

AMENDED CERTIFICATION

Gilbert Treviño  
Superintendent  
Floydada Independent School District  
226 West California Street  
Floydada, Texas 79235

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Floydada Independent School District and Pumpkin Farm Wind, LLC, Application 1133

Dear Superintendent Treviño:

This application (Application 1133) was originally submitted on March 22, 2016, to the Floydada Independent School District (school district) by Pumpkin Farm Wind, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On May 26, 2016, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on August 8, 2016. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 8, 2016.

On March 27, 2017, the Comptroller received an amendment to the agreement. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**Determination required by 313.025(h)**

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

**Determination required by 313.026(c)(1)**

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

**Determination required by 313.026(c)(2)**

The information provided by the applicant related to the limitation on appraised value as a determining factor has not changed and therefore, the Comptroller has determined that the applicant meets the requirement.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2017.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Pumpkin Farm Wind, LLC (project) applying to Floydada Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Pumpkin Farm Wind, LLC.

Applicant	Pumpkin Farm Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Floydada ISD
Estimated 2014-2015 Average Daily Attendance	695
County	Floyd
Proposed Total Investment in District	\$378,000,000
Proposed Qualified Investment	\$378,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant	7*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$702
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$36,480
Minimum annual wage committed to by applicant for qualified jobs	\$36,480
Minimum weekly wage required for non-qualifying jobs	\$628
Minimum annual wage required for non-qualifying jobs	\$32,644
Investment per Qualifying Job	\$54,000,000
Estimated M&O levy without any limit (15 years)	\$40,466,790
Estimated M&O levy with Limitation (15 years)	\$10,742,940
Estimated gross M&O tax benefit (15 years)	\$29,723,850

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Pumpkin Farm Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	161	144	305	\$7,947,660	\$11,827,731	\$19,775,391
2019	7	24	31.25	\$255,360	\$3,040,538	\$3,295,898
2020	7	22	29	\$255,360	\$2,796,398	\$3,051,758
2021	7	20	27	\$255,360	\$2,796,398	\$3,051,758
2022	7	18	25	\$255,360	\$2,674,328	\$2,929,688
2023	7	18	25	\$255,360	\$2,430,187	\$2,685,547
2024	7	16	23	\$255,360	\$2,186,046	\$2,441,406
2025	7	24	31	\$255,360	\$2,308,117	\$2,563,477
2026	7	20	27	\$255,360	\$2,186,046	\$2,441,406
2027	7	24	31	\$255,360	\$2,674,328	\$2,929,688
2028	7	22	29	\$255,360	\$2,674,328	\$2,929,688
2029	7	13	20	\$255,360	\$1,941,906	\$2,197,266
2030	7	13	20	\$255,360	\$1,453,624	\$1,708,984
2031	7	7	14	\$255,360	\$1,209,484	\$1,464,844
2032	7	9	16	\$255,360	\$965,343	\$1,220,703
2033	7	7	14	\$255,360	\$965,343	\$1,220,703

Source: CPA REMI, Pumpkin Farm Wind, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Floydada ISD I&S Tax Levy	Floydada ISD M&O Tax Levy	Floydada ISD M&O and I&S Tax Levies	Floyd County Tax Levy	Caprock Hospital Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
Year			Tax Rate <sup>1</sup>	0.1367	1.1700		0.7175	0.1406	0.0081	
2019	\$359,100,000	\$359,100,000		\$490,854	\$4,201,470	\$4,692,324	\$2,576,543	\$504,895	\$29,087	\$7,773,761
2020	\$340,200,000	\$340,200,000		\$465,019	\$3,980,340	\$4,445,359	\$2,440,935	\$478,321	\$27,556	\$7,364,616
2021	\$321,300,000	\$321,300,000		\$439,185	\$3,759,210	\$4,198,395	\$2,305,328	\$451,748	\$26,025	\$6,955,470
2022	\$302,400,000	\$302,400,000		\$413,351	\$3,538,080	\$3,951,431	\$2,169,720	\$425,174	\$24,494	\$6,546,325
2023	\$283,500,000	\$283,500,000		\$387,516	\$3,316,950	\$3,704,466	\$2,034,113	\$398,601	\$22,964	\$6,137,180
2024	\$264,600,000	\$264,600,000		\$361,682	\$3,095,820	\$3,457,502	\$1,898,505	\$372,028	\$21,433	\$5,728,034
2025	\$245,700,000	\$245,700,000		\$335,847	\$2,874,690	\$3,210,537	\$1,762,898	\$345,454	\$19,902	\$5,318,889
2026	\$226,800,000	\$226,800,000		\$310,013	\$2,653,560	\$2,963,573	\$1,627,290	\$318,881	\$18,371	\$4,909,744
2027	\$207,900,000	\$207,900,000		\$284,179	\$2,432,430	\$2,716,609	\$1,491,683	\$292,307	\$16,840	\$4,500,598
2028	\$189,000,000	\$189,000,000		\$258,344	\$2,211,300	\$2,469,644	\$1,356,075	\$265,734	\$15,309	\$4,091,453
2029	\$170,100,000	\$170,100,000		\$232,510	\$1,990,170	\$2,222,680	\$1,220,468	\$239,161	\$13,778	\$3,682,308
2030	\$151,200,000	\$151,200,000		\$206,675	\$1,769,040	\$1,975,715	\$1,084,860	\$212,587	\$12,247	\$3,273,162
2031	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
2032	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
2033	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
			Total	\$4,727,697	\$40,466,790	\$45,194,487	\$24,816,173	\$4,862,932	\$280,155	\$74,873,592

Source: CPA, Pumpkin Farm Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Caprock Hospital District, High Plains Underground Water Conservation District #1 and Floyd County, with all property tax incentives being sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Floydada ISD I&S Tax Levy	Floydada ISD M&O Tax Levy	Floydada ISD M&O and I&S Tax Levies	Floyd County Tax Levy	Caprock Hospital Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			<b>Tax Rate<sup>1</sup></b>	<b>0.1367</b>	<b>1.1700</b>		<b>0.7175</b>	<b>0.1406</b>	<b>0.0081</b>	
2019	\$359,100,000	\$20,000,000		\$490,854	\$234,000	\$724,854	\$515,309	\$0	\$29,087	\$1,240,162
2020	\$340,200,000	\$20,000,000		\$465,019	\$234,000	\$699,019	\$488,187	\$47,832	\$27,556	\$1,235,039
2021	\$321,300,000	\$20,000,000		\$439,185	\$234,000	\$673,185	\$576,332	\$112,937	\$26,025	\$1,362,454
2022	\$302,400,000	\$20,000,000		\$413,351	\$234,000	\$647,351	\$542,430	\$106,294	\$24,494	\$1,296,074
2023	\$283,500,000	\$20,000,000		\$387,516	\$234,000	\$621,516	\$508,528	\$259,091	\$22,964	\$1,389,135
2024	\$264,600,000	\$20,000,000		\$361,682	\$234,000	\$595,682	\$949,253	\$241,818	\$21,433	\$1,786,752
2025	\$245,700,000	\$20,000,000		\$335,847	\$234,000	\$569,847	\$881,449	\$224,545	\$19,902	\$1,675,841
2026	\$226,800,000	\$20,000,000		\$310,013	\$234,000	\$544,013	\$1,057,739	\$207,273	\$18,371	\$1,809,024
2027	\$207,900,000	\$20,000,000		\$284,179	\$234,000	\$518,179	\$969,594	\$190,000	\$16,840	\$1,677,772
2028	\$189,000,000	\$20,000,000		\$258,344	\$234,000	\$492,344	\$881,449	\$172,727	\$15,309	\$1,546,520
2029	\$170,100,000	\$170,100,000		\$232,510	\$1,990,170	\$2,222,680	\$1,220,468	\$239,161	\$13,778	\$3,682,308
2030	\$151,200,000	\$151,200,000		\$206,675	\$1,769,040	\$1,975,715	\$1,084,860	\$212,587	\$12,247	\$3,273,162
2031	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
2032	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
2033	\$132,300,000	\$132,300,000		\$180,841	\$1,547,910	\$1,728,751	\$949,253	\$186,014	\$10,716	\$2,864,017
			<b>Total</b>	<b>\$4,727,697</b>	<b>\$10,742,940</b>	<b>\$15,470,637</b>	<b>\$12,523,353</b>	<b>\$2,572,305</b>	<b>\$280,155</b>	<b>\$30,566,295</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$29,723,850</b>	<b>\$29,723,850</b>	<b>\$12,292,820</b>	<b>\$2,290,627</b>	<b>\$0</b>	<b>\$44,307,297</b>

Assumes School Value Limitation and Tax Abatements with the County and Hospital District.

Source: CPA, Pumpkin Farm Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Pumpkin Farm Wind, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$234,000	\$234,000	\$3,967,470	\$3,967,470
	2020	\$234,000	\$468,000	\$3,746,340	\$7,713,810
	2021	\$234,000	\$702,000	\$3,525,210	\$11,239,020
	2022	\$234,000	\$936,000	\$3,304,080	\$14,543,100
	2023	\$234,000	\$1,170,000	\$3,082,950	\$17,626,050
	2024	\$234,000	\$1,404,000	\$2,861,820	\$20,487,870
	2025	\$234,000	\$1,638,000	\$2,640,690	\$23,128,560
	2026	\$234,000	\$1,872,000	\$2,419,560	\$25,548,120
	2027	\$234,000	\$2,106,000	\$2,198,430	\$27,746,550
	2028	\$234,000	\$2,340,000	\$1,977,300	\$29,723,850
<b>Maintain Viable Presence (5 Years)</b>	2029	\$1,990,170	\$4,330,170	\$0	\$29,723,850
	2030	\$1,769,040	\$6,099,210	\$0	\$29,723,850
	2031	\$1,547,910	\$7,647,120	\$0	\$29,723,850
	2032	\$1,547,910	\$9,195,030	\$0	\$29,723,850
	2033	\$1,547,910	\$10,742,940	\$0	\$29,723,850
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$1,547,910	\$12,290,850	\$0	\$29,723,850
	2035	\$1,547,910	\$13,838,760	\$0	\$29,723,850
	2036	\$1,547,910	\$15,386,670	\$0	\$29,723,850
	2037	\$1,547,910	\$16,934,580	\$0	\$29,723,850
	2038	\$1,547,910	\$18,482,490	\$0	\$29,723,850
	2039	\$1,547,910	\$20,030,400	\$0	\$29,723,850
	2040	\$1,547,910	\$21,578,310	\$0	\$29,723,850
	2041	\$1,547,910	\$23,126,220	\$0	\$29,723,850
	2042	\$1,547,910	\$24,674,130	\$0	\$29,723,850
	2043	\$1,547,910	\$26,222,040	\$0	\$29,723,850
		<b>\$26,222,040</b>	is less than	<b>\$29,723,850</b>	

### Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Pumpkin Farm Wind, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	161	144	305	\$7,947,660	\$11,827,731	\$19,775,391	16098022.5	-3669738.8	\$19,767,761
2019	7	24	31.25	\$255,360	\$3,040,538	\$3,295,898	732421.9	1419067.4	-\$686,646
2020	7	22	29	\$255,360	\$2,796,398	\$3,051,758	610351.6	1411438	-\$801,086
2021	7	20	27	\$255,360	\$2,796,398	\$3,051,758	373840.3	1319885.3	-\$946,045
2022	7	18	25	\$255,360	\$2,674,328	\$2,929,688	213623	1182556.2	-\$968,933
2023	7	18	25	\$255,360	\$2,430,187	\$2,685,547	144958.5	1022338.9	-\$877,380
2024	7	16	23	\$255,360	\$2,186,046	\$2,441,406	122070.3	877380.4	-\$755,310
2025	7	24	31	\$255,360	\$2,308,117	\$2,563,477	83923.3	724792.5	-\$640,869
2026	7	20	27	\$255,360	\$2,186,046	\$2,441,406	38147	579834	-\$541,687
2027	7	24	31	\$255,360	\$2,674,328	\$2,929,688	-30517.6	434875.5	-\$465,393
2028	7	22	29	\$255,360	\$2,674,328	\$2,929,688	-76293.9	312805.2	-\$389,099
2029	7	13	20	\$255,360	\$1,941,906	\$2,197,266	-129699.7	244140.6	-\$373,840
2030	7	13	20	\$255,360	\$1,453,624	\$1,708,984	-137329.1	106811.5	-\$244,141
2031	7	7	14	\$255,360	\$1,209,484	\$1,464,844	-167846.7	-7629.4	-\$160,217
2032	7	9	16	\$255,360	\$965,343	\$1,220,703	-183105.5	-83923.3	-\$99,182
2033	7	7	14	\$255,360	\$965,343	\$1,220,703	-228881.8	-190734.9	-\$38,147
2034	7	7	14	\$255,360	\$965,343	\$1,220,703	-312805.2	-267028.8	-\$45,776
2035	7	5	12	\$255,360	\$477,062	\$732,422	-350952.1	-335693.4	-\$15,259
2036	7	5	12	\$255,360	\$232,921	\$488,281	-381469.7	-450134.3	\$68,665
2037	7	3	10	\$255,360	-\$11,219	\$244,141	-419616.7	-541687	\$122,070
2038	7	(1)	6	\$255,360	-\$255,360	\$0	-411987.3	-587463.4	\$175,476
2039	7	5	12	\$255,360	\$477,062	\$732,422	-427246.1	-686645.5	\$259,399
2040	7	(3)	4	\$255,360	-\$255,360	\$0	-473022.5	-747680.7	\$274,658
2041	7	5	12	\$255,360	\$232,921	\$488,281	-503540	-816345.2	\$312,805
2042	7	1	8	\$255,360	-\$11,219	\$244,141	-579834	-862121.6	\$282,288
2043	7	1	8	\$255,360	\$232,921	\$488,281	-610351.6	-907897.9	\$297,546
2044	7	(1)	6	\$255,360	\$721,203	\$976,563	-625610.4	-907897.9	\$282,288
2045	7	1	8	\$255,360	\$232,921	\$488,281	-701904.3	-991821.3	\$289,917
						Total	\$11,665,344	-\$2,418,518	\$14,083,862
							\$40,305,902	is greater than	\$29,723,850
Analysis Summary									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.